



The President's Daily Brief

5 October 1973

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

President Qadhafi reportedly resigned soon after his failure to gain concessions on the merger from President Sadat, and this time he has gone further than usual in divesting himself of the trappings of office. (Page 1)

Tel Aviv will continue to press Vienna to reverse its decision to close the Schoenau transit center, but will almost certainly fail. The fedayeen, meanwhile, are hinting at operations against Soviet embassies if Jewish emigration is not halted altogether. (Page 2)

25X1

Military exercises now going on in Egypt are larger and more realistic than previous ones, but the Israelis are not nervous. (Page 3)

[redacted] has failed to turn up any evidence that the Soviets sent Scud missile equipment to Egypt or Syria. (Page 4)

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The Cambodian High Political Council has not figured out how to renew its mandate when it expires later this month, and Prime Minister In Tam seems determined to resign. Lon Nol may be considering a restructuring of the government that would concentrate as much power as possible in his own hands. (Page 5)

Tanzania [redacted]
[redacted] China. (Page 6)

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Japan intends to establish two more textile plants in the US for a total of at least eight--part of a rapid expansion of its textile industry abroad. (Page 7)

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LIBYA

[redacted] President Qadhafi resigned soon after his failure in late August to gain concessions on the merger from President Sadat. [redacted] members of the Council were said to have protested Qadhafi's decision but were only able to persuade him to remain in office long enough--perhaps several months--to prepare for a smooth transfer of power.

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The temperamental Libyan leader has "resigned" and come back a number of times before, but has been unusually subdued since his political defeat at the hands of the Egyptians. Since then, he has avoided public appearances and has taken measures to divest himself of some of the trappings of his office. Although he is still acting like a chief of state, several other Council members--particularly Prime Minister Jallud--are unusually busy with policies and programs that previously were Qadhafi's exclusive province.

Many factors could improve Qadhafi's spirits in the months ahead--not the least of which is his seemingly unshakeable belief in his own resourcefulness and in the inevitability of Arab unity. Nevertheless, the deepening estrangement between Sadat and Qadhafi seems to be wearing more heavily than usual on the Libyan leader.

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ISRAEL-AUSTRIA

Tel Aviv intends to keep up pressure on Vienna to reverse its decision to close the Schoenau transit center.

Between the end of 1968, when Moscow permitted the resumption of Jewish emigration, and the end of 1972, some 50,000 Soviet Jews entered Israel; in 1972 they formed close to 60 percent of all immigrants. The 1973 rate so far has been about 10 percent higher than last year's.

The pressure from Tel Aviv will almost certainly fail to move the Kreisky government, which had been thinking about closing down the transit center for some time before the terrorist incident. Recent visits to the camp by Prime Minister Meir and Foreign Minister Eban had generated unwanted publicity, and a bomb threat by Arab terrorists convinced some officials that Schoenau had become an unacceptable risk. In any event, all transit rights for Soviet Jews have not been eliminated, and the privately owned center--which is run by the Jewish Agency--has not yet closed.

Elated by the success of the Austrian operation, the fedayeen may now envisage the possibility of halting Soviet emigration to Israel entirely. Statements in the Arab press, ostensibly from the terrorists involved, have hinted at retaliation if Vienna reverses its stand and have suggested that operations will be directed against Soviet embassies and interests if emigration is not stopped. Radical fedayeen elements would not be deterred by the threat of severe Israeli retaliation or curtailment of indirect Soviet support to the moderate fedayeen groups.

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EGYPT

The military exercises under way in Egypt seem to be on a larger scale and are being conducted more realistically than previous ones, but they do not appear to be preparations for an offensive against Israel.

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Previous Egyptian maneuvers have been more paper-and-communications exercises than the current one, which evidently involves the mobilization of large numbers of personnel. Cairo may have put its air defense and air forces on alert as a precaution against an Israeli reaction to the initial phases of the exercise. The call-up of air force reservists is on a larger scale than that which occurred during a previous major exercise in March, but this may be necessary because of the length of the alert.

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USSR-EGYPT-SYRIA

[redacted]
no evidence that the Soviets have sent Scud ballistic missile equipment to the Middle East. No Scud equipment was seen in the Egyptian ports of Alexandria and Matruh, at the Tura Caves area south of Cairo, or at the Syrian ports of Latakia and Tartus. [redacted]

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[redacted] the Soviet port of Nikolayev [redacted]
[redacted] shows the same number of Scud launchers in the same place on the dock as had been seen there on [redacted]

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CAMBODIA

During the past few weeks, the members of the High Political Council have been reviewing the pros and cons of renewing the council's mandate when it expires later this month. Even though Lon Nol recently assented to the other three members' recommendation that the ruling body and its special powers be extended for another six months, thus far the council has not been able to agree on modalities for the move.

Technically, the National Assembly--which placed itself in limbo when it agreed last April to give the council full control of governmental affairs--should be reconvened to approve the council's extension. Council member Sirik Matak, however, strongly opposes recalling the legislature because he fears it will not fully cooperate with the government. The assembly may yet return, but only in a consultative capacity.

Another issue complicating the deliberations is Prime Minister In Tam's apparent determination to step down, not only from that office but also as a member of the council. In Tam said on Tuesday that he would submit his resignation at the next council meeting.

Since taking office last May, the Prime Minister has frequently threatened to quit, complaining that he has been given no real authority by Lon Nol. In Tam's colleagues on the council would not be unduly disturbed to see him go. However, they have not agreed on a successor, and Lon Nol is now said to be considering a government structure that would, in effect, create three super-ministries and eliminate the post of prime minister. This scheme clearly reflects a rekindling of Lon Nol's determination to concentrate maximum power in his own hands.

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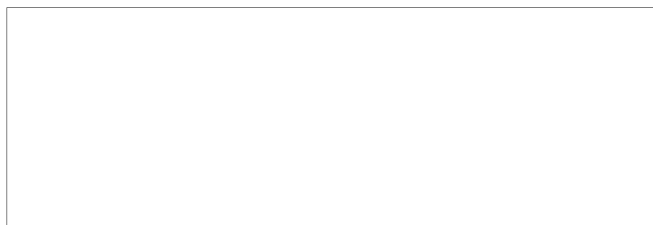
TANZANIA-CHINA



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NOTE

Japan-US: Japan plans to establish two more large textile plants in the US, bringing to at least eight the number of such plants here. Japan's textile industry is expanding rapidly overseas; the Japanese are seeking to shore up their position in foreign markets where they have been adversely affected by currency changes, and, in the case of the US market, to circumvent Japanese export controls. These controls were adopted earlier at US behest to protect American producers. The Japanese also plan to set up textile operations in Brazil, Indonesia, and Mexico, and have purchased a controlling interest in a large Canadian operation. The Mexican and Canadian ventures will produce goods for sale in the US.

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